

What Will Happen to Your Dental Team When You Sell Your Practice?

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The answer is multifaceted because obviously you cannot sell your staff with the practice. Interestingly enough, you do sell the patient list and dental team profile. This is part of what is considered Goodwill value. The reality of what really happens to the dental team members often is open to ambiguity.

The sale of a dental practice is different from other businesses because its intangible assets are unique to its viability and value. A quality team profile made up of highly skilled long term employees who plan to stay on with the practice is more attractive, or represents a higher value, than a team model where there has been a lot of turnover causing a loss of expertise and experience to carry the practice forward.

At the time you transfer ownership to another dentist, each team member has the opportunity to become a new employee of the new owner. What hopefully occurs is that prior to the transaction, the new owner (buyer) has reviewed the employee model and agrees to continue it under its current structure to avoid a mass exodus or create an environment of distrust. It is also important to you (seller) because you want to make sure your team members are taken care of even when you are gone. You can begin to experience closure and expedite your transfer of responsibility.

In some instances, however, the new owner may view the practice purchase as an opportunity to trim the budget, redesign the employee benefit structure, or change staffing roles and needs. It is very possible that all of these changes need to occur in the future in order to improve the practice operations. Initiating this scenario at the

onset of the transition can be risky because it challenges the relationships with the very individuals who can help make or break the new practice model.

When a corporation is transferred, many of the formalities of the transfer process are completed behind the scenes and are not as recognizable to most employees until a later time. In all instances, new employee legal documents such as I-9's and W-4's must be updated. Insurance policy guidelines must be fulfilled and retained team members should receive advisement about what to do with retirement program accounts and other non-transferable benefits. All team members should have a clear outline of the new employee/employer relationship.

If you are a dentist considering a practice transition, the best way to approach the transfer of employment is to talk openly and honestly with everyone on your team. Many dentists believe their team members will quit if the practice is sold. The reality is that most dental team members want to remain in the practice where they feel they have been part of a dental family. As soon as there is a defined direction for the practice, the team should be the first to know. When a dental team member learns he or she is valuable to the practice, the feelings of insecurity and fear are minimized. They are less likely to feel betrayed and more likely to rally behind the new opportunity.

In all situations, the communication about an impending practice transition must be handled professionally. The reward will be a dental team that will provide input into the decision making process, help solidify the transfer of patient goodwill, and support a successful transition outcome.